



1ENDMENT

17009618

N

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response.....	12.00

**ANNUAL AUDITED REPORT**  
**FORM X-17A-5 / A**  
**PART III**

SEC FILE NUMBER
8-48744

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1/1/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Citizens Securities Inc

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Deloitte & Touche

(Name - if individual, state last, first, middle name)

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☐ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

SECURITIES AND EXCHANGE COMMISSION

RECEIVED

MAR - 1 2017

DIVISION OF TRADING & MARKETS

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.



March 1, 2017

Securities and Exchange Commission  
Registrations Branch  
Mail Stop 8031  
100 F Street, NE  
Washington, DC 20549

To whom it may concern:

Pursuant to SEC Rule 15c3-3, Citizens Securities, Inc. (SEC# 8-48744) has provided our exemption report as well as the review report provided by our independent public accountant.

If you have any questions, please contact me at 401-477-1649.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin J. Carvalho", with a long, sweeping horizontal line extending to the right.

Kevin J. Carvalho  
Director of Accounting  
Citizens Securities, Inc.

Securities, Insurance and Investment Advisory Services offered through Citizens Securities, Inc., otherwise referred to as Citizens Investment Services member FINRA, SIPC, 770 Legacy Place, MLP240, Dedham, MA 02026. (800) 942-8300. Citizens Securities, Inc., is an affiliate of Citizens Bank, N.A. and Citizens Bank of Pennsylvania.

Securities and Insurance Products are: • NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE  
• NOT A DEPOSIT • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

**Exemption Report**

Citizens Securities, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

(1) The Company claimed the exemptions below from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k):

- a. (1) - Provided to broker dealers that limit their activities (both principal and agent) to transactions in certain redeemable securities of registered investment companies (mutual funds) or insurance products (variable annuities). Under this exemption, the broker-dealer may briefly handle customer funds and/or securities, but must promptly transmit such funds and securities received in connection with its broker or dealer activities. Additionally, it cannot hold funds or securities for, or owe money or securities to, customers;
- b. (2)(i) - Provided to broker dealers who carry no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker dealer, does not otherwise hold funds or securities for, or owe money or securities to, customers and effectuates all financial transactions between the broker or dealer and its customers through one or more bank accounts, each to be designated as "Special Account for the Exclusive Benefit of Customers of (name of the broker dealer)"; and
- c. (2)(ii) - An introducing broker or dealer that clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of §§ 240.17a-3 and 240.17a-4, as are customarily made and kept by a clearing broker or dealer.

(2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) throughout the period of January 1, 2016 through December 31, 2016 with the following exceptions:

Number of exceptionsReason

12,992

Customer payments for security purchases were not transmitted to the clearing firm or investment carrier by noon the following business day after receipt by Company representatives.

Citizens Securities, Inc.

I, Kevin Carvalho, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By:   
FINOP and Director of Accounting

February 27, 2017

Securities, Insurance and Investment Advisory Services offered through Citizens Securities, Inc., otherwise referred to as Citizens Investment Services member FINRA, SIPC, 770 Legacy Place, MLP240, Dedham, MA 02026. (800) 942-8300. Citizens Securities, Inc., is an affiliate of Citizens Bank, N.A. and Citizens Bank of Pennsylvania.

# Deloitte

Deloitte & Touche LLP  
200 Berkeley Street  
Boston, MA 02116  
USA

Tel: +1 617 437 2000  
Fax: +1 617 437 2111  
www.deloitte.com

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of  
Citizens Securities, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Citizens Securities, Inc. (the "Company") identified the following provisions of 17 C.F.R. § 240.15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3: paragraph (k)(1), (k)(2)(i) and (k)(2)(ii) (the "exemption provisions") and (2) the Company stated that the Company met the identified exemption provisions throughout the year ended December 31, 2016 except as described in its exemption report. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(1), (k)(2)(i) and (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Deloitte & Touche LLP*

February 27, 2017